

0985 California School Finance Authority

The California School Finance Authority (CSFA), created in 1985, provides facilities and working capital financing to school districts, community college districts, county offices of education, and charter schools. CSFA consists of the following three members: the State Treasurer who serves as chair, the Superintendent of Public Instruction, and the Director of the Department of Finance. CSFA has offices in Los Angeles and Sacramento.

CSFA serves as the primary state agency for California charter schools seeking facility and working capital assistance by providing access to low-cost financing through several State and federally funded programs while also serving as a conduit debt issuer.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
0918 Smart Bonds	-	-	-	\$291	\$101	\$101
0920 Charter School Facilities Program	4.6	5.0	5.0	533	1,070	1,071
0925 State Charter School Facilities Incentive Grants Program	1.0	1.0	1.0	9,954	20,149	20,148
0930 Charter School Facility Grant Program	1.0	3.0	3.0	120,210	92,309	142,310
0935 Charter School Revolving Loan Program	1.0	1.0	1.0	5,374	12,492	12,492
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	7.6	10.0	10.0	\$136,362	\$126,121	\$176,122
FUNDING				2013-14*	2014-15*	2015-16*
0001 General Fund				\$28,303	\$384	\$385
0001 General Fund, Proposition 98				92,031	92,031	142,031
0526 California School Finance Authority Fund				291	101	101
0606 Charter School Revolving Loan Fund				5,250	12,386	12,386
0890 Federal Trust Fund				9,954	20,149	20,148
6044 2004 State School Facilities Fund				371	640	642
6057 2006 State School Facilities Fund				161	429	429
9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund				1	1	-
TOTALS, EXPENDITURES, ALL FUNDS				\$136,362	\$126,121	\$176,122

LEGAL CITATIONS AND AUTHORITY

PROGRAM AUTHORITY

Education Code Sections 17078.52-17078.66, 17170-17199.5, 41365, 41366.5, 41366.7, 41367, and 47614.5

MAJOR PROGRAM CHANGES

- An increase of \$50 million Proposition 98 General Fund for the Charter School Facility Grant Program.

DETAILED BUDGET ADJUSTMENTS

	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Retirement Rate Adjustments	\$7	\$11	-	\$7	\$11	-
• Salary Adjustments	5	7	-	4	7	-
• Benefit Adjustments	2	3	-	2	3	-
• Miscellaneous Baseline Adjustments	-	-	-	-	-	-
• SWCAP	-	-	-	-	-1	-
Totals, Other Workload Budget Adjustments	\$14	\$21	-	\$13	\$20	-
Totals, Workload Budget Adjustments	\$14	\$21	-	\$13	\$20	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

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	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Policy Adjustments						
• Charter School Facility Grant Eligibility Expansion	\$-	\$-	-	\$50,000	\$-	-
Totals, Policy Adjustments	\$-	\$-	-	\$50,000	\$-	-
Totals, Budget Adjustments	\$14	\$21	-	\$50,013	\$20	-

PROGRAM DESCRIPTIONS

0918 - SMART BONDS PROGRAM

Chapter 1438, Statutes of 1985, as amended by Chapter 598, Statutes of 1987, established CSFA and authorized the issuance revenue bonds or other debt instruments. The proceeds from the sale of the bonds were available for loans to school and community college districts to assist with the acquisition of equipment and new school sites, construction of new facilities, reconstruction of existing facilities, capital improvements, and to provide working capital. Chapter 325, Statutes of 2006 (AB 2717), allows CSFA to issue debt on behalf of California charter schools for capital improvements and working capital needs.

0920 - CHARTER SCHOOL FACILITIES PROGRAM

Chapter 935, Statutes of 2002, as amended by Chapter 587, Statutes of 2003, created the Charter School Facilities Program (CSFP), which provides funding for the new construction, renovation or rehabilitation of charter school facilities. CSFA and the Office of Public School Construction jointly administer the program. CSFP was funded through the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004, and 2006, for a total of \$900 million.

The program provides a 50% state subsidy for the charter school facilities project costs, with the balance of the project costs being repaid (to the state) by the charter school in the form of a long-term lease. Recipient charter schools must provide site-based instruction, be deemed financially sound by CSFA, and meet other program eligibility requirements.

0925 - STATE CHARTER SCHOOL FACILITIES INCENTIVE GRANTS PROGRAM

In 2004, CSFA was awarded a grant under the United States Department of Education's State Charter School Facilities Incentive Grants Program (CFDA 84.282D) to provide California charter schools with assistance for facilities costs. Grant funds are used toward a charter school's cost of rent, lease, mortgage or debt service payments for existing or new facilities or toward the costs of acquiring land and constructing or renovating a facility. Grants are awarded to charter schools based on preference points allotted for the percentage of low-income students; percentage overcrowded; not-for-profit status; and demonstrated student performance.

CSFA implemented a program change in regulations to award preference points for charter schools providing better educational opportunities than surrounding traditional public schools. First time recipients are also given preference as compared to past recipients.

CHARTER SCHOOL FACILITIES CREDIT ENHANCEMENT GRANT PROGRAM

In 2010, CSFA was awarded a grant of \$8.3 million by the Charter School Facilities Credit Enhancement Grant Program (CFDA 84.354A) authorized under Title V, Part B, Subpart 2 of the Elementary and Secondary Education Act, to enhance credit for charter schools and enable them to access non-federal funds that will address the costs of renovating, acquiring, and constructing school facilities. The grant funds will act as a reserve against any shortfalls in debt service on bonds that are issued by CSFA.

0930 - CHARTER SCHOOL FACILITY GRANT PROGRAM

The Charter School Facility Grant Program provides assistance with rent and lease costs for charter schools that meet specific eligibility criteria. This program targets schools and communities with significant populations of economically disadvantaged students. Eligible charter schools are provided up to \$750 per unit of eligible average daily attendance, not to exceed 75 percent of the total annual facilities rent or lease costs.

0935 - CHARTER SCHOOL REVOLVING LOAN PROGRAM

New non-conversion charter schools may receive low-interest loans from the Charter School Revolving Loan Program to use for start-up costs. The program provides loans of up to \$250,000 to be paid back over a time period not to exceed five years. The interest collected is deposited into the Charter School Security Fund and may be used to replenish the Charter School Revolving Loan Fund and offset any loan defaults.

DETAILED EXPENDITURES BY PROGRAM

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		<u>2013-14*</u>	<u>2014-15*</u>	<u>2015-16*</u>
PROGRAM REQUIREMENTS				
0918	SMART BONDS			
	State Operations:			
0526	California School Finance Authority Fund	\$291	\$101	\$101
	Totals, State Operations	\$291	\$101	\$101
PROGRAM REQUIREMENTS				
0920	CHARTER SCHOOL FACILITIES PROGRAM			
	State Operations:			
6044	2004 State School Facilities Fund	\$371	\$640	\$642
6057	2006 State School Facilities Fund	161	429	429
9734	2004 Charter School Facilities Account, 2004 State School Facilities Fund	1	1	-
	Totals, State Operations	\$533	\$1,070	\$1,071
PROGRAM REQUIREMENTS				
0925	STATE CHARTER SCHOOL FACILITIES INCENTIVE GRANTS PROGRAM			
	State Operations:			
0890	Federal Trust Fund	\$133	\$149	\$148
	Totals, State Operations	\$133	\$149	\$148
	Local Assistance:			
0890	Federal Trust Fund	\$9,821	\$20,000	\$20,000
	Totals, Local Assistance	\$9,821	\$20,000	\$20,000
PROGRAM REQUIREMENTS				
0930	CHARTER SCHOOL FACILITY GRANT PROGRAM			
	State Operations:			
0001	General Fund	\$99	\$278	\$279
	Totals, State Operations	\$99	\$278	\$279
	Local Assistance:			
0001	General Fund	\$120,111	\$92,031	\$142,031
	Totals, Local Assistance	\$120,111	\$92,031	\$142,031
PROGRAM REQUIREMENTS				
0935	CHARTER SCHOOL REVOLVING LOAN PROGRAM			
	State Operations:			
0001	General Fund	\$124	\$106	\$106
	Totals, State Operations	\$124	\$106	\$106
	Local Assistance:			
0606	Charter School Revolving Loan Fund	\$5,250	\$12,386	\$12,386
	Totals, Local Assistance	\$5,250	\$12,386	\$12,386
TOTALS, EXPENDITURES				
	State Operations	1,180	1,704	1,705
	Local Assistance	135,182	124,417	174,417
	Totals, Expenditures	\$136,362	\$126,121	\$176,122

EXPENDITURES BY CATEGORY

	1 State Operations	Positions			Expenditures		
		2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*

PERSONAL SERVICES

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1 State Operations	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Authorized Positions (Equals Sch. 7A)	7.6	10.0	10.0	\$498	\$623	\$623
Total Adjustments	-	-	-	-	11	11
Net Totals, Salaries and Wages	7.6	10.0	10.0	\$498	\$634	\$634
Staff Benefits	-	-	-	195	280	282
Totals, Personal Services	7.6	10.0	10.0	\$693	\$914	\$916
OPERATING EXPENSES AND EQUIPMENT				\$487	\$790	\$789
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$1,180	\$1,704	\$1,705

2 Local Assistance	Expenditures		
	2013-14*	2014-15*	2015-16*
Grants and Subventions - Governmental	\$120,111	\$112,031	\$162,031
Grants and Subventions - Non-Governmental	9,821	-	-
Loans, Transfers and Other Disbursements	5,250	-	-
Other Special Items of Expense	-	12,386	12,386
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$135,182	\$124,417	\$174,417

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$280	\$372	\$385
Allocation for employee compensation	-	4	-
Allocation for staff benefits	-	1	-
Section 3.60 pension contribution adjustment	-	7	-
Totals Available	\$280	\$384	\$385
Unexpended balance, estimated savings	-57	-	-
TOTALS, EXPENDITURES	\$223	\$384	\$385
0526 California School Finance Authority Fund			
APPROPRIATIONS			
Education Code Section 17181	\$291	\$101	\$101
TOTALS, EXPENDITURES	\$291	\$101	\$101
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$133	\$146	\$148
Allocation for employee compensation	-	1	-
Section 3.60 pension contribution adjustment	-	2	-
TOTALS, EXPENDITURES	\$133	\$149	\$148
6044 2004 State School Facilities Fund			
APPROPRIATIONS			
Education Code Section 17078.52(b)(2) (Transfer to 2004 Charter School Facilities Account, 2004 State School Facilities Fund)	\$371	-	\$642
Education Code Section 17078.52(b)(2) (Transfer to 2004 Charter School Facilities Account, 2004 State School Facilities Fund)	-	640	-
TOTALS, EXPENDITURES	\$371	\$640	\$642

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0985 California School Finance Authority - Continued

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
6057 2006 State School Facilities Fund			
APPROPRIATIONS			
Education Code Section 17078.52 (b)(3) (Transfer to 2006 Charter School Facilities Account, 2006 State School Facilities Fund)	\$161	-	\$429
Education Code Section 17078.52(b)(3) (Transfer to 2006 Charter School Facilities Account, 2006 State School Facilities Fund)	-	429	-
TOTALS, EXPENDITURES	\$161	\$429	\$429
9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$622	\$624	\$642
Allocation for employee compensation	-	6	-
Allocation for staff benefits	-	2	-
Section 3.60 pension contribution adjustment	-	9	-
Totals Available	\$622	\$641	\$642
Unexpended balance, estimated savings	-250	-	-
TOTALS, EXPENDITURES	\$372	\$641	\$642
Less funding provided by 2004 State School Facilities Fund	-371	-640	-642
NET TOTALS, EXPENDITURES	\$1	\$1	\$-
9735 2006 Charter School Facilities Account, 2006 State School Facilities Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$429	\$429	\$429
Totals Available	\$429	\$429	\$429
Unexpended balance, estimated savings	-268	-	-
TOTALS, EXPENDITURES	\$161	\$429	\$429
Less funding provided by 2006 State School Facilities Fund	-161	-429	-429
NET TOTALS, EXPENDITURES	\$-	\$-	\$-
Total Expenditures, All Funds, (State Operations)	\$1,180	\$1,704	\$1,705
2 LOCAL ASSISTANCE	2013-14*†	2014-15*	2015-16*
0001 General Fund, Proposition 98			
APPROPRIATIONS			
220 Budget Act appropriation	\$183,452	\$92,031	\$142,031
Transfer Prior Year Carryover to Non-Budget Act Item	-91,421	-	-
TOTALS, EXPENDITURES	\$92,031	\$92,031	\$142,031
0001 General Fund			
Prior Year Balances Available:			
Transfer from Item 6110-404, Budget Act of 2013	91,421	-	-
Totals Available	\$91,421	\$-	\$-
Unexpended balance, estimated savings	-63,341	-	-
TOTALS, EXPENDITURES	\$28,080	\$-	\$-
0606 Charter School Revolving Loan Fund			
APPROPRIATIONS			
Education Code Section 41365	\$5,250	\$12,386	\$12,386
TOTALS, EXPENDITURES	\$5,250	\$12,386	\$12,386
0890 Federal Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$9,821	\$20,000	\$20,000
TOTALS, EXPENDITURES	\$9,821	\$20,000	\$20,000
Total Expenditures, All Funds, (Local Assistance)	\$135,182	\$124,417	\$174,417

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2 LOCAL ASSISTANCE	<u>2013-14*†</u>	<u>2014-15*</u>	<u>2015-16*</u>
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$136,362	\$126,121	\$176,122

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Totals, Authorized Positions	7.6	10.0	10.0	\$498	\$623	\$623
Salary and Other Adjustments	-	-	-	-	11	11
Totals, Adjustments	-	-	-	\$-	\$11	\$11
TOTALS, SALARIES AND WAGES	7.6	10.0	10.0	\$498	\$634	\$634

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